

be made upon application of a representative of the producer as allowed under standard practice for farm programs.

(b) Appeals of adverse decisions made under this part shall be subject to the provisions of 7 CFR parts 11 and 780.

(c) The Executive Vice President, CCC, may impose such additional loan conditions as are determined to be necessary or appropriate to insure that the purposes and goals of the program provided for in this part are met.

PART 1477—1998 SINGLE-YEAR AND MULTI-YEAR CROP LOSS DISASTER ASSISTANCE PROGRAM

Subpart A—General Provisions

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AUTHORITY: Sec. 1101 and 1102 of Pub. L. 105-277, 112 Stat.2681; 15 U.S.C. 714b and 714c.

SOURCE: 64 FR 18554, Apr. 15, 1999, unless otherwise noted.

Subpart A—General Provisions

§ 1477.101 Applicability.

(a) This part sets forth the terms and conditions applicable to the 1998 Crop Loss Disaster Assistance Program. Under sections 1101 and 1102 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 ("1999 Act") (Pub. L. 105-277, 112 Stat. 2681), the Secretary of Agriculture will make disaster payments available to certain producers who have incurred losses in quantity or quality of their crops due to disasters. Producers will be able to receive benefits under this part for losses to 1998 crops, or losses occurring in at least 3 years for which payments were received for the period 1994 through 1998, as determined by the Secretary. Accordingly, this part contains three subparts. Subpart A contains general provisions applicable to both the single-year and multi-year aspects of the 1998 Crop Loss Disaster Assistance Program, which are contained in Subparts B and C, respectively.

(b) In accordance with section 1102(g)(2) of the 1999 Act, the Secretary has authorized use of a portion of the funds authorized by the Act to establish crop insurance premium discounts for the 1999 crop year (2000 crop year for citrus fruit, avocados in California, and macadamia nuts in Hawaii). This part establishes provisions and requirements for implementation of those discounts.

§ 1477.102 Administration.

(a) The program will be administered under the general supervision of the Executive Vice President, Commodity Credit Corporation (CCC), and shall be carried out in the field by State and county Farm Service Agency (FSA) committees.

(b) State and county FSA committees and representatives do not have the authority to modify or waive any of the provisions of this part.

(c) The State FSA committee shall take any action required by this part which has not been taken by a county FSA committee. The State FSA committee shall also:

(1) Correct or require a county FSA committee to correct any action taken

by such county FSA committee which is not in accordance with this part; and

(2) Require a county FSA committee to withhold taking or reverse any action which is not in accordance with this part.

(d) No delegation herein to a State or county FSA committee shall prevent the Deputy Administrator from determining any question arising under the program or from reversing or modifying any determination made by a State or county FSA committee.

(e) The Deputy Administrator may authorize the State and county committees to waive or modify deadlines or other program requirements in cases where lateness or failure to meet such other requirements does not adversely affect the operation of the program or when, in his discretion, it is determined that an exception should be allowed to provide for a more equitable distribution of benefits consistent with the goals of the program provided for in this part.

§ 1477.103 Definitions.

The definitions in this section shall be applicable for all purposes of administering the 1998 Crop Loss Disaster Assistance Program and all subparts of this part.

Actual production means the total quantity of the crop appraised, harvested or which could have been harvested as determined by the county or State FSA committee in accordance with instructions issued by the Deputy Administrator.

Additional coverage means with respect to insurance plans of crop insurance providing a level of coverage equal to or greater than 65 percent of the approved yield indemnified at 100 percent of the expected market price, or a comparable coverage as established by FCIC.

Appraised production means production determined by FSA, RMA, FCIC, a company reinsured by FCIC, or other appraiser acceptable to CCC, that was unharvested but which was determined to reflect the crop's yield potential at the time of appraisal.

Approved yield means the amount of production per acre, computed in accordance with FCIC's Actual Production History Program (7 CFR part 400,

subpart G) or for crops not included under 7 CFR part 400, subpart G, the yield used to determine the guarantee. For crops covered under the Non-insured Crop Disaster Assistance program, the approved yield is established according to part 1437 of this title.

Aquaculture means the reproduction and rearing of aquatic species in controlled or selected environments, including, but not limited to, ocean ranching (except private ocean ranching of Pacific salmon for profit in those States where such ranching is prohibited by law).

Aquaculture facility means any land or structure including, but not limited to, a laboratory, hatchery, rearing pond, raceway, pen, incubator, or other equipment used in aquaculture.

Aquacultural species means aquacultural species as defined in part 1437 of this chapter.

CCC means the Commodity Credit Corporation.

Catastrophic risk protection means the minimum level of coverage offered by FCIC.

Catastrophic Risk Protection Endorsement means the relevant part of the Federal crop insurance policy that contains provisions of insurance that are specific to catastrophic risk protection.

Control county means: for a producer with farming interests in only one county, the county FSA office in which the producer's farm(s) is administratively located; for a producer with farming interests which are administratively located in more than one county FSA office, the county FSA office designated by FSA to control the payments received by the producer.

County committee means the local FSA county committee.

Crop of economic significance means a crop with a value equal to ten percent (10%) or more of the total value of the producer's share of all crops grown in the county for the relevant crop year. However, an amount will not be considered economically significant if the potential liability under the Catastrophic Risk Protection Endorsement is equal to or less than the administrative fee required with respect to such insurance for the crop, or, if applicable, the crop type or variety.

Crop insurance means an insurance policy reinsured by the Federal Crop Insurance Corporation under the provisions of the Federal Crop Insurance Act, as amended.

Cropland means cropland as defined in part 718 of this title.

Crop year means: for insured and uninsured crops, the crop year as defined according to the applicable crop insurance policy; and for noninsurable crops, the year harvest normally begins for the crop, except the crop year for all aquacultural species and nursery crops shall mean the period from October 1 through the following September 30, and the crop year for purposes of calculating honey and tree losses shall be the period running from January 1 through the following December 31.

Deputy Administrator means the Deputy Administrator for Farm Programs, Farm Service Agency (FSA), or a designee.

Disaster means damaging weather, including drought, excessive moisture, hail, earthquake, freeze, tornado, hurricane, typhoon, volcano, excessive wind, excessive heat, or any combination thereof; and shall also include a related condition and all eligible loss conditions, excluding price risk for 1998 single-year losses, as determined by the crop insurance policy, if RMA has made an eligible loss determination.

Double-cropped means a condition in which a subsequent crop of a different commodity is planted on the same acreage as the first crop within the same crop year if the county committee determines both crops were or could have been carried to harvest.

End use means the purpose for which the harvested crop is used, such as fresh, processed or juice.

Entity means any legal organization or joint venture of any kind, including, but not limited to, corporations, trusts and partnerships.

Expected market price (price election) means the price per unit of production (or other basis as determined by FCIC) anticipated during the period the insured crop normally is marketed by producers. This price will be set by FCIC before the sales closing date for the crop. The expected market price may be less than the actual price paid

by buyers if such price typically includes remuneration for significant amounts of post-production expenses such as conditioning, culling, sorting, packing, etc.

Expected production means, for an agricultural unit, the historic yield multiplied by the number of planted or prevented acres of the crop for the unit.

FCIC means the Federal Crop Insurance Corporation, a wholly owned Government Corporation within USDA.

Final planting date means the date established by RMA for insured and uninsured crops by which the crop must be initially planted in order to be insured for the full production guarantee or amount of insurance per acre. For noninsurable crops, the final planting date is the end of the planting period for the crop as determined by CCC.

Flood prevention means with respect to aquacultural species, placing the aquacultural facility in an area not prone to flood; in the case of raceways, providing devices or structures designed for the control of water level; and for nursery crops, placing containerized stock in a raised area above expected flood level and providing draining facilities, such as drainage ditches or tile, gravel, cinder or sand base.

FSA means the Farm Service Agency.

Good nursery growing practices means utilizing flood prevention, growing media, fertilization to obtain expected production results, irrigation, insect and disease control, weed, rodent and wildlife control, and over winterization storage facilities.

Growing media means:

(1) For aquacultural species, media that provides nutrients necessary for the production of the aquacultural species and protects the aquacultural species from harmful species or chemicals; and

(2) For nursery crops, media designed to prevent "root rot" and other media-related problems through a well-drained media with a minimum 20 percent air pore space and pH adjustment for the type of plant produced.

Harvested means: For insured and uninsured crops, harvested as defined according to the applicable crop insurance policy; for noninsurable single harvest crops, that a crop has been removed from the field, either by hand or

mechanically, or by grazing of livestock; for noninsurable crops with potential multiple harvests in one year or harvested over multiple years, that the producer has, by hand or mechanically, removed at least one mature crop from the field; and for mechanically harvested noninsurable crops, that the crop has been removed from the field and placed in a truck or other conveyance, except hay is considered harvested when in the bale, whether removed from the field or not. Grazed land will not be considered harvested for the purpose of determining an unharvested or prevented planting payment factor.

Historic yield means, for a unit, the higher of the county average yield or the producer's approved yield.

Individual stand means, with respect to trees, an area of eligible trees that are tended by an eligible producer as a single operation, whether or not the trees are planted in the same field or similar location, as determined by the county committee. Eligible trees not in the same field or similar location may be considered to be separate individual stands if county committee determines that there are significantly differing levels of loss susceptibility.

Insurance is available means when crop information is contained in RMA's county actuarial documents for a particular crop and a policy can be obtained through the RMA system, except if the Group Risk Plan of crop insurance was the only plan of insurance available for the crop in the county in the 1998 crop year, insurance is considered not available for that crop.

Insured crops means those crops covered by crop insurance pursuant to 7 CFR Chapter IV and for which the producer purchased either the catastrophic or buy-up level of crop insurance so available.

Intended crop means an insured crop which the producer timely indicates for RMA insurance purposes as the crop the producer intends to produce.

Limited coverage means plans of crop insurance offering coverage that is equal to or greater than 50 percent of the approved yield indemnified at 100 percent of the expected market price, or a comparable coverage as established by FCIC, but less than 65 percent

of the approved yield indemnified at 100 percent of the expected market price, or a comparable coverage as established by FCIC.

Multi-use crop means a crop intended for more than one end use during the calendar year such as grass harvested for seed, hay, and/or grazing.

Multiple planting means the planting for harvest of the same crop in more than one planting period in a crop year on different acreage.

Noninsurable crops means those crops for which crop insurance was not available.

Normal mortality means the percentage of damaged or dead trees in the individual stand or the percentage of dead aquacultural species that would normally occur during the crop year.

Operator means operator as defined in part 718 of this title.

Palmer Drought Severity Index means the meteorological index calculated by the National Weather Service to indicate prolonged and abnormal moisture deficiency or excess.

Pass-through funds means revenue that goes through, but does not remain in, a person's account, such as money collected by an auction house for the sale of livestock which is subsequently paid to the sellers of the livestock, less a commission withheld by the auction house.

Person means person as defined in part 1400 of this chapter, and all rules with respect to the determination of a person found in that part shall be applicable to this part. However, the determinations made in this part in accordance with 7 CFR part 1400, subpart B, Person Determinations, shall also take into account any affiliation with any entity in which an individual or entity has an interest, irrespective of whether or not such entities are considered to be engaged in farming.

Planted acreage means land in which seed, plants, or trees have been placed, appropriate for the crop and planting method, at a correct depth, into a seedbed that has been properly prepared for the planting method and production practice normal to the area as determined by the county committee.

Producer means producer as defined in part 718 of this title.

Related condition means with respect to disaster, a condition related to a disaster that causes deterioration of a crop such as insect infestation, plant disease, or aflatoxin that is accelerated or exacerbated naturally as a result of damaging weather occurring prior to or during harvest as determined in accordance with instructions issued by the Deputy Administrator.

Reliable production records means evidence provided by the producer that is used to substantiate the amount of production reported when verifiable records are not available, including copies of receipts, ledgers of income, income statements of deposit slips, register tapes, invoices for custom harvesting, and records to verify production costs, that are determined acceptable by the county committee.

Repeat crop means with respect to a producer's production, a commodity that is planted or prevented from being planted in more than one planting period on the same acreage in the same crop year.

RMA means the Risk Management Agency.

Salvage value means the dollar amount or equivalent received by the producer for the quantity of the commodity that cannot be marketed or sold in any recognized market for the crop.

Secondary use means the harvesting of a crop for a use other than the intended use, except for crops with intended use of grain, but harvested as silage, ensilage, cabbage, hay, cracked, rolled, or crimped.

Secondary use value means the value determined by multiplying the quantity of secondary use times the CCC-established price for this use.

Secretary means the Secretary of the United States Department of Agriculture.

Substitute crop means an alternative crop whose sales closing date has passed and that is planted on acreage that is prevented from being planted to an intended crop or where an intended crop is planted and fails.

Trees means maple trees for syrup, or orchard trees grown for commercial production of fruits or nuts.

Uninsured crops means those crops for which Federal crop insurance was

available, but the producer did not purchase insurance.

Unit means, unless otherwise determined by the Deputy Administrator, basic unit as described in part 457 of this title which, for ornamental nursery production shall include all eligible plant species and sizes.

Unit of measure means:

(1) For all insured and uninsured crops, the FCIC-established unit of measure;

(2) For aquacultural species, a standard unit of measure such as gallons, pounds, inches or pieces, established by the State committee for all aquacultural species or varieties;

(3) For Christmas trees, a plant or tree;

(4) For turfgrass sod, a square yard;

(5) For maple sap, a gallon; and

(6) For all other crops, the smallest unit of measure which lends itself to the greatest level of accuracy with minimal use of fractions, as determined by the State committee.

United States means all 50 States of the United States, the Commonwealth of Puerto Rico, the Virgin Islands and Guam.

USDA means United States Department of Agriculture.

Value loss crop will have the meaning assigned in part 1437 of this chapter.

Verifiable production records means evidence that is used to substantiate the amount of production reported and that can be verified by CCC through an independent source.

§ 1477. 104 Producer eligibility.

(a) Producers in the United States will be eligible to receive disaster benefits under this part only if they have suffered either:

(1) 1998 crop losses as a result of a disaster and as further specified in Subpart B; or

(2) Multi-year crop losses as a result of a disaster and as further specified in Subpart C.

(b) Payments may be made for losses suffered by an eligible producer who is now deceased or is a dissolved entity if a representative who currently has authority to enter into a contract for the producer signs the application for payment. Proof of authority to sign for the deceased producer or dissolved entity

must be provided. If a producer is now a dissolved general partnership or joint venture, all members of the general partnership or joint venture at the time of dissolution or their duly authorized representatives must sign the application for payment.

(c) As a condition to receive benefits under this part, a producer must have been in compliance with the Highly Erodible Land Conservation and Wetland Conservation provisions of part 12 of this title, for the year or years for which benefits are sought.

(d) The provisions of paragraph (c) of this section do not apply to producers receiving benefits under this part for value loss crops.

§ 1477.105 Time for filing application.

(a) Applications for benefits under Subpart B, the 1998 Crop Loss Disaster Assistance Program Single Year 1998 Losses, shall be filed before the close of business on April 9, 1999, in the county FSA office serving the county where the producer's farm is located for administrative purposes.

(b) Applications for benefits under Subpart C, the 1998 Crop Loss Disaster Assistance Program Multi-year Losses, shall be filed before the close of business on April 9, 1999, with the county FSA office designated as the producer's control county.

(c) The Deputy Administrator may grant general exceptions to these deadlines for filing applications.

§ 1477.106 Limitations on payments and other benefits.

(a) A producer may receive disaster benefits under either subpart B or C, but not both.

(b) A producer qualifying for disaster benefits under both subparts B or C, may receive whichever amount is greater as calculated according to this part.

(c) Payments will not be made under this subpart for grazing losses. Further, the Deputy Administrator may divide crops based on loss susceptibility, yield, and other factors.

(d) No person shall receive more than a total of \$80,000 in disaster benefits under this part. No person shall receive more than \$25,000 in disaster benefits under this part for tree losses.

(e) No person shall receive disaster benefits under this part in an amount that exceeds the value of the expected production for the relevant period as determined by CCC.

(f) A person who has a gross revenue in excess of \$2.5 million for the 1997 tax year shall not be eligible to receive disaster benefits under this part. If the person does not have a 1997 tax year because the entities were dissolved in a prior year, the last tax year for the person will be used. Gross revenue includes the total income and total gross receipts of the person, before any reductions. Gross revenue shall not be adjusted, amended, discounted, netted or modified for any reason. No deductions for costs, expenses or pass-through funds will be deducted from any calculation of gross revenue. For making this determination, gross revenue means the total gross receipts received from farming or ranching operations if the person receives more than 50 percent of such person's gross income from farming or ranching; or the total gross receipts received from all sources if the person receives 50 percent or less of such person's gross receipts from farming and ranching.

(g) Payment eligibility under this part shall be in addition to whatever eligibility the producer may have to other payments including but not limited to:

(1) Payments under the noninsured crop disaster assistance program established under the Agricultural Market Transition Act (7 U.S.C. 7333);

(2) Crop insurance indemnities provided under the Federal Crop Insurance Act (7 U.S.C. 1501 *et seq.*);

(3) Emergency loans made available under subtitle C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961 *et seq.*);

(4) Payments received by a person for participation in a Production Flexibility Contract authorized under Title 1 of the Agricultural Market Transition Act (7 U.S.C. 7211 *et seq.*); and

(5) Market Loss Assistance payments made under § 1111 of the 1999 Act.

(h) In the event the total amount of applications for disaster benefits under this part exceeds the available funds,

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payments shall be reduced by a uniform national percentage. Such reductions shall be applied before any determination of limits on compensation due to multiple USDA benefits and after the imposition of applicable payment limitation and gross revenues caps.

§ 1477.107 Crop insurance premium discounts.

(a) A crop insurance premium discount is available to all producers who have limited or additional coverage

crop insurance policies for the 1999 crop year (for the 2000 crop year for citrus fruit, Avocados in California, and Macadamia Nuts in Hawaii) as follows:

(1) Producers of crops that have sales closing dates for the 1999 crop year (2000 crop year for citrus fruit, avocados in California, and macadamia nuts in Hawaii) on or after July 31, 1998, and on or before February 15, 1999, must have by the following dates purchased limited or additional coverage and submitted their acreage and production reports:

States	Application deadline	Production/acreage reporting date
Arizona, Florida, Georgia, Hawaii, Louisiana, Mississippi, and South Carolina.	February 28, 1999	April 15, 1999.
All other States	March 15, 1999	April 30, 1999.

(2) For crops with a final planting date on or after December 31, 1998, but before August 15, 1999, the acreage reporting date will be the later of the date shown in paragraph (a)(1) of this section or the acreage reporting date specified in the producer's crop insurance policy.

(3) For crops that have sales closing dates for the 1999 crop year (2000 crop year for citrus fruit, avocados in California, and macadamia nuts in Hawaii) after February 15, 1999, producers must purchase limited or additional coverage by the sales closing date for the applicable crop.

(b) Producers who are currently insured by the sales closing date for the applicable crop may not:

(1) Lower their insurance coverage or transfer to another insurance provider for crops with extended dates specified in paragraph (a)(1) of this section; or

(2) Cancel their insurance policy if the cancellation date has already passed, unless the producer is changing insurance plans at the same or a higher coverage level.

(c) Producers who are presently ineligible for crop insurance coverage due to a delinquent debt will be allowed to satisfy such debt and obtain coverage during the extended application period specified in paragraph (a)(1) of this section.

(d) The exact percentage for the crop insurance premium discount will be

calculated once the total amount of premium for the 1999 crop year (2000 crop year for citrus fruit, avocados in California, and macadamia nuts in Hawaii) at the limited and additional coverage levels has been established.

(e) An additional crop insurance premium discount may be made available for any crops insured for the 1999 crop year by producers who have suffered multiple losses due to scab and/or vomitoxin damage as provided below; this discount is in addition to the premium discount referenced in paragraph (a) of this section and in order to qualify for this discount, a producer must:

(1) Have insured wheat, barley, oats, or rye in at least two crop years during the 1994 through 1998 crop years (A producer must provide evidence of such insurance if the insurance provider has no such record; and

(2) Provide evidence that wheat, barley, oats, or rye produced by the producer was subjected to a discounted price or decrease in yield due to scab or vomitoxin damage in at least two crop years during the 1994 through 1998 crop years.

(f) The two years of insurance specified in paragraph (e)(1) of this section, the two years of discounted prices or yields due to scab and/or vomitoxin specified in paragraph (e)(2) of this section, and the small grain crops affected need not be the same (e.g., a producer could have insured 1995 and 1996 wheat,

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but had scab and/or vomitoxin damage on 1997 and 1998 barley).

(g) This discount in paragraph (e) of this section can only be applied to the same identical producer that met the qualifications for the discount as required in paragraph (e) of this section.

(h) The total premium discounts allowed under this section to any person cannot exceed \$80,000. The \$2.5 million gross revenue limitation does not apply to the premium discounts specified in this section.

§ 1477.108 Requirement to purchase crop insurance.

(a) As required in 1102(g)(3) of the Act, any producer who receives crop loss assistance under this part who did not purchase crop insurance for all insurable crops for the 1998 crop year (1999 crop year for citrus fruit, Avocados in California, and Macadamia Nuts in Hawaii) must purchase crop insurance for the 1999 and 2000 crop years (2000 and 2001 crop years for citrus fruit, avocados in California, and macadamia nuts in Hawaii) for all crops of economic significance produced by such producer for which insurance is available.

(b) Any producer who is required to purchase crop insurance in accordance with paragraph (a) of this section who does not purchase either limited or additional coverage by the sales closing date for the applicable crop or the extended application dates specified in section 1477.107(a)(1), may purchase catastrophic risk protection until April 28, 1999. Such producers will have until the following dates to provide their acreage and production reports:

(1) For policies under which the crop was planted on or before December 31, 1998, or the crop is a perennial crop, the producer must submit the acreage and production reports at the time of the Catastrophic Risk Protection application; or

(2) For spring crops, the acreage and production reports must be submitted by the later of May 29, 1999, or the latest spring acreage reporting date specified in the crop insurance policy.

(c) Nothing in this section supersedes the provisions contained in 7 CFR part 400, subpart T, relating to the availability of Catastrophic Risk Protection

coverage whenever a producer is unable to plant the intended crop or it is not practical to replant a failed crop before the final planting date, and the producer plants a substitute crop.

(d) If any producer fails to purchase crop insurance as required in paragraph (a) of this section, the producer will be required to pay liquidated damages in an amount and within a reasonable period of time as determined by the Deputy Administrator.

§ 1477.109 Miscellaneous provisions.

(a) Disaster benefits under this part may be withheld using the standard set forth in §1403.8(b) (1)–(7) of this chapter.

(b) No interest will be paid or accrue on disaster benefits under this part which are delayed or are otherwise not timely issued unless otherwise mandated by law.

(c) A person shall be ineligible to receive disaster assistance under this part if it is determined by the State or county committee or an official of FSA that such person has:

(1) Adopted any scheme or other device which tends to defeat the purpose of a program operated under this part;

(2) Made any fraudulent representation with respect to such program; or

(3) Misrepresented any fact affecting a program determination.

(d) In the event there is a failure to comply with any term, requirement, or condition for payment or assistance arising under this part, and if any refund of a payment to CCC shall otherwise become due in connection with this part, all payments made in regard to such matter shall be refunded to CCC, together with interest as determined in accordance with paragraph (e) of this section and late-payment charges as provided for in part 1403 of this chapter.

(e) Producers shall be required to pay interest on any refund required of the producer receiving assistance or a payment if CCC determines that payments or other assistance were provided to the producer and the producer was not eligible for such assistance. The interest rate shall be one percent greater than the rate of interest which the United States Treasury charges CCC

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for funds, as of the date of payment. Interest that is determined to be due CCC shall accrue from the date such benefits were made available by CCC to the date repayment is completed. CCC may waive the accrual of interest if CCC determines that the cause of the erroneous determination was not due to any error by the producer.

(f) All persons with a financial interest in the operation receiving benefits under this part shall be jointly and severally liable for any refund, including related charges, which is determined to be due CCC for any reason under this part.

(g) In the event that any request for assistance or payment under this part was established as result of erroneous information or a miscalculation, the assistance or payment shall be recomputed and any excess refunded with applicable interest.

(h) The liability of any person for any penalty under this part or for any refund to CCC or related charge arising in connection therewith shall be in addition to any other liability of such person under any civil or criminal fraud statute or any other provision of law including, but not limited to, 18 U.S.C. 286, 287, 371, 641, 651, 1001 and 1014; 15 U.S.C. 714m; and 31 U.S.C. 3729.

(i) Any person who is dissatisfied with a determination made with respect to this part may make a request for reconsideration or appeal of such determination in accordance with the regulations set forth at parts 11 and 780 of this title.

(j) Any payment or portion thereof to any person shall be made without regard to questions of title under State law and without regard to any claim or lien against the crop, or proceeds thereof.

(k) Disaster benefits under this part may be made without taking any applicable offsets.

(l) Payments which are earned under this part may be assigned in accordance with the provisions of part 1404 of this chapter upon filling out the applicable assignment form.

(m) For the purposes of 28 U.S.C. 3201(e), the restriction on receipt of funds or benefits under this program is waived; however, this waiver shall not preclude withholding or offsetting

where it is deemed by the Deputy Administrator to be appropriate.

[64 FR 18554, Apr. 15, 1999, as amended at 64 FR 58769, Nov. 1, 1999]

§ 1477.110 Matters of general applicability.

(a) For calculations of loss made with respect to insured crops, the producer's existing unit structure will be used as the basis for the calculation and may include optional units established according to 7 CFR Part 457 of this Title. For uninsured and noninsurable crops, basic units will be established for these purposes.

(b) Loss payment rates and factors shall be established by the state committee based on procedures provided by the Deputy Administrator.

(c) County average yield for loss calculations will be the simple average of the 1993 through 1997 official county yields established by FSA.

(d) County committees will assign production when the county committee determines:

(1) An acceptable appraisal or record of harvested production does not exist;

(2) The loss is due to an ineligible cause of loss or practices that cause lower yields than those upon which the historic yield is based;

(3) The producer has a contract providing a guaranteed payment for all or a portion of the crop;

(4) The crop is planted beyond the normal planting period for the crop; or

(5) Other cause, as determined by the Deputy Administrator, exists for such case.

(e) The county committee shall establish a maximum loss level based on other losses in the county for the same crop. The maximum loss level for the county shall be expressed as either a percent of loss or yield per acre. The maximum loss level will apply when:

(1) Unharvested acreage has not been appraised by FSA, RMA, FCIC, a company reinsured by FCIC, or other appraiser;

(2) The crop's loss is because of an ineligible disaster condition or circumstances other than a natural disaster; or

(3) Acceptable production records for harvested acres are not available from any source.

(f) Assigned production for practices that result in lower yields than those for which the historic yield is based shall be established by:

(1) Determining the acres planted to the low-yielding type of practice;

(2) Multiplying the State office determined yield reduction factor times the county average yield; and

(3) Multiplying the result of paragraph (f)(2) of this section times the acres in paragraph (f)(1) of this section.

(g) Assigned production for crops planted beyond the normal planting period for the crop shall be calculated according to the lateness of planting the crop. If the crop is planted after the final planting date by:

(1) 1 through 10 calendar days, the assigned production will be based on one percent of the payment yield for each day involved.

(2) 11 through 24 calendar days, the assigned production will be based on 10 percent of the payment yield plus an additional two percent reduction of the payment yield for each day of days 11 through 24 which are involved.

(3) 25 or more calendar days or a date in which the crop would not reasonably be expected to mature by harvest, the assigned production will be based on 50 percent of the payment yield or such greater amount determined by the county committee to be appropriate.

(h) Assigned production for producers with contracts to receive a guaranteed payment for production of an eligible crop will be established by the county committee by:

(1) Determining the total amount of guaranteed payment for the unit;

(2) Converting the guaranteed payment to guaranteed production by dividing the total amount of guaranteed payment by the approved county price for the crop or variety or such other factor deemed appropriate if otherwise the production would appear to be too high; and

(3) Establishing the production for the unit as the greater of the actual net production for the unit or the guaranteed payment.

[64 FR 18554, Apr. 15, 1999; 64 FR 35559, July 1, 1999]

Subpart B—1998 Single-Year Crop Loss Disaster Assistance Program

§ 1477.201 Single-year crop losses.

(a) To receive disaster benefits under this subpart which covers single-year 1998 crop losses, the county committee must determine that because of a disaster, the producer with respect to the 1998 crop year:

(1) Was prevented from planting a crop;

(2) Sustained a loss in excess of 35 percent of the expected production of a crop;

(3) Sustained a loss in excess of 35 percent of the value for value loss crops; or

(4) Sustained damage in excess of 20 percent of an individual stand of eligible trees, after adjustments for normal mortality.

(b) Calculation of benefits under this subpart shall not include losses:

(1) That are the result of poor management decisions or poor farming practices as determined by the county committee on a case-by-case basis based on instructions issued by the Deputy Administrator;

(2) That are the result of the failure of the producer to reseed or replant to the same crop in the county where it is customary to reseed or replant after a loss;

(3) That are not as a result of a natural disaster;

(4) To crops not intended for harvest in crop year 1998;

(5) To losses of by-products resulting from processing or harvesting a crop, such as cotton seed, peanut shells, wheat or oat straw;

(6) To home gardens; or

(7) As a result of water contained or released by any governmental, public, or private dam or reservoir project if an easement exists on the acreage affected for the containment or release of the water.

(c) Calculation of benefits under this subpart for ornamental nursery stock shall not include losses:

(1) Caused by a failure of power supply or brownouts;

(2) Caused by the inability to market nursery stock as a result of quarantine, boycott, or refusal of a buyer to accept production;

- (3) Caused by fire;
- (4) Affecting crops where weeds and other forms of undergrowth in the vicinity of the nursery stock have not been controlled; or
- (5) Caused by the collapse or failure of buildings or structures.
- (d) Calculation of benefits under this subpart for honey where the honey production by colonies or bees was diminished, shall not include losses:
 - (1) Where the inability to extract was due to the unavailability of equipment; the collapse or failure of equipment or apparatus used in the honey operation;
 - (2) Resulting from improper storage of honey;
 - (3) To honey production because of bee feeding;
 - (4) Caused by the application of chemicals;
 - (5) Caused by theft, fire, or vandalism;
 - (6) Caused by the movement of bees by the producer or any other person; or
 - (7) Due to disease or pest infestation of the colonies.

§ 1477.202 Calculating rates and yields.

- (a) Payment rates for 1998 single-year crop losses shall be:
 - (1) 65 percent of the maximum established RMA price for insured crops;
 - (2) 65 percent of the State average price for noninsurable crops;
 - (3) 60 percent of the maximum established RMA price for uninsured crops; and
 - (4) 65 percent of the established practice rate for damage to eligible trees.
- (b) Disaster benefits under this subpart for losses to crops other than trees shall be made in an amount determined by multiplying the loss of production in excess of 35 percent of the expected production by the applicable payment rate established according to paragraph (a) of this section.
- (c) Disaster benefits under this subpart for losses of trees shall be made in an amount determined by multiplying the quantity of acres or number of trees in a practice approved by the county committee according to instructions issued by the Deputy Administrator, by the payment rate established according to paragraph (a) of this section.

(d) Separate payment rates and yields for the same crop may be established according to instructions issued by the Deputy Administrator, when there is supporting data from NASS or other sources approved by CCC that show there is a significant difference in yield or value based on a distinct and separate end use of the crop. In spite of differences in yield or values, separate rates or yields shall not be established for crops with different cultural practices, such as organically or hydroponically grown.

(e) Each eligible producer's share of a disaster payment shall be based on the producer's share of the crop or crop proceeds, or, if no crop was produced, the share the producer would have received if the crop had been produced. In cases where crop insurance provides for a landlord/tenant to insure the tenant/landlord's share according to part 457 of this title, disaster payments will be issued on the same basis.

(f) When calculating a payment for a unit loss:

- (1) The unharvested payment factor shall be applied to crop acreage planted but not harvested; and
- (2) The prevented planting factor shall be applied to any prevented planted acreage eligible for payment.
- (g) Production from all end uses of a multi-use crop or all secondary uses for multiple market crops will be calculated separately and summarized together.

§ 1477.203 Production losses, producer responsibility.

- (a) Where available, RMA loss records will be used for insured crops.
- (b) If RMA loss records are not available, producers are responsible for:
 - (1) Retaining or providing, when required, the best verifiable or reliable production records available for the crop;
 - (2) Summarizing all the production evidence;
 - (3) Accounting for the total amount of unit production for the crop, whether or not records reflect this production; and
 - (4) Providing the information in a manner that can be easily understood by the county committee.

(c) In determining production under this section the producer must supply acceptable production records to substantiate production to the county committee. If the eligible crop was sold or otherwise disposed of through commercial channels, acceptable production records include: commercial receipts; settlement sheets; warehouse ledger sheets; or load summaries; appraisal information from a loss adjuster acceptable to CCC. If the eligible crop was farm-stored, sold, fed to live-stock, or disposed of in means other than commercial channels, acceptable production records include: truck scale tickets; appraisal information from a loss adjuster acceptable to CCC; contemporaneous diaries; or other documentary evidence, such as contemporaneous measurements.

(d) Producers must provide all records for any production of a crop which is grown with an arrangement, agreement, or contract for guaranteed payment. The failure to report the existence of any guaranteed contract or similar arrangement or agreement shall be considered as providing false information to CCC.

§ 1477.204 Determination of production.

(a) Production under this subpart shall include all harvested production, unharvested appraised production and assigned production for the total planted acreage of the crop on the unit.

(b) The harvested production of eligible crop acreage harvested more than once in a crop year shall include the total harvested production from all these harvests.

(c) If a crop is appraised and subsequently harvested, the actual harvested production shall be used to determine benefits.

(d) For all crops eligible for loan deficiency payments or marketing assistance loans with an intended use of grain but harvested as silage, ensilage, cobbage, hay, cracked, rolled, or crimped, production will be adjusted based on a whole grain equivalent according to instructions issued by the Deputy Administrator.

(e) For crops with an established yield and market price for multiple in-

tended uses, a value will be calculated for each use.

(f) For crops sold in a market that is not a recognized market for the crop with no established county average yield and market price, 60 percent, if insured or noninsurable, or 65 percent, if uninsured, of the salvage value received will be deducted from the disaster payment.

(g) If a producer has an arrangement, agreement, or contract for guaranteed payment for production (as opposed to production based on delivery), the production to count shall be the greater of the actual production or the guaranteed payment converted to production according to instructions issued by the Deputy Administrator.

(h) Production that is commingled between units before it was a matter of record and cannot be separated by using records or other means acceptable to CCC shall be prorated to each respective unit according to instructions issued by the Deputy Administrator. Commingled production may be attributed to the applicable unit, if the producer made the unit production of a commodity a matter of record before commingling and does any of the following, as applicable:

(1) Provides copies of verifiable documents showing that production of the commodity was purchased, acquired, or otherwise obtained from beyond the unit;

(2) Had the production measured in a manner acceptable to the county committee; or

(3) Had the current year's production appraised in a manner acceptable to the county committee.

(i) The county committee shall assign production for the unit when the county committee determines that:

(1) The producer has failed to provide adequate and acceptable production records;

(2) The loss to the crop is because of a disaster condition not covered by this subpart, or circumstances other than natural disaster, and there has not otherwise been an accounting of this ineligible cause of loss;

(3) The producer carries out a practice, such as double cropping, that generally results in lower yields than the established historic yields;

(4) The producer has a contract to receive a guaranteed payment for all or a portion of the crop; or

(5) A crop is late-planted.

(j) For sugarcane, the quantity of sugar produced from such crop shall exclude acreage harvested for seed.

(k) For peanuts, the actual production shall be all peanuts harvested for nuts regardless of their disposition or use as adjusted for low quality.

(l) For tobacco, except flue-cured and burley, the actual production shall be the sum of the tobacco: marketed or available to be marketed; destroyed after harvest; and produced but unharvested, as determined by an appraisal. For flue-cured and burley tobacco, the actual production shall be the sum of the tobacco: marketed, regardless of whether the tobacco was produced in the current crop year or a prior crop year; on hand; destroyed after harvest; and produced but unharvested, as determined by an appraisal.

§ 1477.205 Calculation of acreage for crop losses other than prevented planted.

(a) Subject to paragraph (b) of this section, the acreage of a crop planted in each planting period shall be considered a different crop for the purpose of determining disaster benefits under this subpart.

(b) In cases where there is a repeat crop, double crop or a multiple planting, each of these crops may be considered different crops if the county committee determines that:

(1) Both the initial and subsequent planted crops were planted with an intent to harvest;

(2) The subsequent crop was planted after the time when the initial crop would normally have been harvested;

(3) Both the initial and subsequent planted crops were planted within the normal planting period for that crop; and

(4) Both the initial and subsequent planted crops meet all other eligibility provisions of this part including good farming practices.

(c) In cases where an initial crop is planted and fails due to an eligible disaster condition and it is generally considered too late to replant and a subse-

quent crop is planted on the same acreage within its normal planting period in the same crop year and also failed because of an eligible disaster condition, both crops are eligible for disaster assistance if they meet all other eligibility provisions of this part.

§ 1477.206 Calculation of prevented planted acreage.

(a) When determining losses under this subpart, prevented-planted acreage will be considered separately from planted acreage of the same crop.

(b) Except as provided in paragraph (c) of this section, for insured crops, disaster payments under this subpart for prevented-planted acreage shall not be made unless RMA documentation indicates that the eligible producer received a prevented planting payment under the RMA-administered program.

(c) For insured crops, disaster payments under this subpart for prevented-planted acreage will be made available for the following crops for which prevented planting coverage was not available and for which the county committee will make an eligibility determination according to paragraph (d) of this section: California safflowers; peanuts; peppers; popcorn; Central/Southern potatoes; sweet corn (fresh market); tomatoes (fresh market); tomatoes (processing).

(d) For uninsured or noninsurable crops, or the insured crops listed in paragraph (c) of this section, the producer must prove, to the satisfaction of the county committee, an intent to plant the crop and that such crop could not be planted because of an eligible disaster. The county committee must be able to determine the producer was prevented from planting the crop by an eligible disaster that both:

(1) Prevented most producers from planting on acreage with similar characteristics in the surrounding area; and

(2) Unless otherwise allowed by the Deputy Administrator, began no earlier than the planting season for the 1998 crop.

(e) Prevented planted disaster benefits under this subpart shall not apply to:

(1) Aquaculture, including ornamental fish; perennial forage crops grown for hay, seed, or grazing; ginseng

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root and ginseng seed; honey; maple sap; millet; nursery crops; sweet potatoes; tobacco; trees; turfgrass sod; and tree and vine crops;

(2) Any acreage which is double-cropped, even if the producer has a history of double-cropping acreage;

(3) Uninsured crop acreage that is unclassified for insurance purposes;

(4) Acreage that is used for conservation purposes or intended to be left unplanted under any USDA program;

(5) The same acreage from which any benefit is derived under any program administered by the USDA on which a crop is planted and fails during the crop year except as provided in 1477.106(f) of this part;

(6) Any acreage on which a crop other than a cover crop was harvested, hayed, or grazed during the crop year;

(7) Any acreage for which a cash lease payment is received for the use of the acreage the same crop year unless the county committee determines the lease was for haying and grazing rights only and was not a lease for use of the land;

(8) Acreage for which planting history or conservation plans indicate that the acreage would have remained fallow for crop rotation purposes;

(9) Acreage for which the producer or any other person received a prevented planted payment for any crop for the same acreage, excluding share arrangements; and

(10) Acreage for which the producer cannot provide proof to the county committee that inputs such as seed, chemicals, and fertilizer were available to plant and produce a crop with the expectation of at least producing a normal yield.

(f) Disaster benefits under this subpart shall not apply to acreage where the prevented-planted acreage was affected by a disaster that was caused by drought or the failure of the irrigation water supply unless the acreage is in an area classified by the Palmer Drought Severity Index as in a severe or extreme drought during the time period specified by the producer.

(g) For uninsured or noninsurable crops and the insured crops listed in paragraph (c) of this section, for prevented planting purposes:

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(1) The maximum prevented-planted acreage for all crops:

(i) Cannot exceed the number of acres of cropland in the unit for the crop year; and

(ii) Will be reduced by the number of acres planted in the unit;

(2) The maximum prevented planted acreage for a crop cannot exceed the number of acres planted by the producer, or which was prevented from planting, to the crop in any 1 of the 1994 through 1997 crop years as determined by the county committee;

(3) For crops grown under a contract specifying the number of acres contracted, the prevented-planted acreage is limited to the result of the number of acres specified in the contract minus planted acreage;

(4) For each crop type or variety for which separate prices or yields are sought for prevented-planted acreage, the producer must provide evidence that the claimed prevented-planted acres were successfully planted in at least 1 of the most recent 4 crop years; and

(5) The prevented planted acreage must be one contiguous block consisting of at least 20 acres or 20 percent of the intended planted acreage in the unit, whichever is less.

§ 1477.207 Quality adjustments to production.

(a) Subject to paragraph (b) of this section, the quantity of production of crops that were damaged due to disaster resulting in diminished quality, shall be adjusted by the county committee in accordance with instructions issued by the Deputy Administrator.

(b) Crops eligible for quality adjustments to production are limited to:

(1) Barley; canola; corn; cotton; flaxseed; grain sorghum; mustard seed; oats; peanuts; rapeseed; rice; safflower; soybeans; sugar beets; sunflower-oil; sunflower-seed; tobacco; wheat; and

(2) Crops with multiple market uses such as fresh, processed or juice, as supported by NASS data or other data determined acceptable in accordance with instructions issued by the Deputy Administrator. RMA loss production figures will not be used to conduct this quality adjustment unless the Deputy Administrator determines otherwise.

(c) The producer must submit documentation for determining the grade and other discount factors that were applied to the crop.

(d) Quality adjustments will be applied after production has been adjusted to standard moisture, when applicable.

(e) Except for cotton, if a quality adjustment has been made for multi-peril crop insurance purposes, an additional adjustment will not be made.

(f) Quality adjustments for crops, other than cotton, peanuts, sugar beets and tobacco, listed in paragraph (b)(1) of this section may be made by applying an adjustment factor based on dividing the Federal marketing assistance loan rate applicable to the crop and producer determined according to part 1421 of this chapter by the unadjusted county marketing assistance loan rate for the crop. For crops that grade sample and are marketed through normal channels, production will be adjusted according to instructions issued by the Deputy Administrator. County committees may, with state committee concurrence, establish county average quality adjustment factors according to procedures issued by the Deputy Administrator.

(g) Quality adjustments for cotton shall be based on the difference between:

(1) The loan rate applicable to the crop and producer determined according to part 1427 of this chapter; and

(2) The adjusted county loan rate. The adjusted county rate is the county loan rate adjusted for the 4-year county average historical quality premium or discount, in accordance with instructions issued by the Deputy Administrator.

(h) Quality adjustments for quota peanuts shall for unused quota be based on the difference between the adjusted sales price and the quota price. The adjusted sales price is the quota price minus discounts for quality, regardless of the actual sales price received. Adjustments for other peanuts may be made as determined appropriate by the Deputy Administrator.

(i) Quality adjustments for sugar beets shall be based on sugar content. The 1998 actual production for the producer shall be adjusted upward or

downward to account for sugar content according to instructions issued by the Deputy Administrator.

(j) Quality adjustments for tobacco shall be based on the difference between the sales price and the support price.

(k) Quality adjustments for crops with multiple market uses such as fresh, processed and juice, shall be applied based on the difference between the producer's historical marketing percentage of each market use compared to the actual percentage for 1998, as determined in accordance with instructions issued by the Deputy Administrator.

(l) Quality adjustments for aflatoxin shall be based on the aflatoxin level. The producer must provide the County Office with proof a price reduction because of aflatoxin. The aflatoxin level must be 20 parts per billion or more before a quality adjustment will be made. The quality adjustment factor applied to affected production is .50 if the production is marketable. If the production is unmarketable due to aflatoxin levels of at least 20 parts per billion, production will be adjusted to zero. Any value received will be considered salvage.

(m) Any quantity of the crop determined to be salvage will not be considered production. Salvage values shall be factored by .60 for insured and non-insurable commodities and .65 for uninsured commodities.

(n) Quality adjustments do not apply to value loss crops.

(o) Quality adjustments shall not apply to: hay, honey, maple sap, turfgrass sod, crops marketed for a use other than an intended use for which there is not an established county price or yield.

§ 1477.208 1999 crop losses.

(a) Producers have the option to receive benefits on 1999 crop rather than 1998 loss when both the following apply:

(1) The 1999 crop was affected by disaster-related conditions that occurred in calendar year 1998; and

(2) Harvest for the 1999 crop would normally begin in calendar year 1998.

(b) Producers may elect to use the 1999 crop for 1998 single-year CLDAP benefits only.

§ 1477.209 Value loss crops.

(a) Special provisions to assess losses and calculate disaster assistance under this subpart apply to the following crops and such other crops as may be identified in instructions issued by the Deputy Administrator: ornamental nursery; Christmas trees; ginseng root; and aquaculture, including ornamental fish.

(b) Disaster benefits under this subpart are calculated based on the loss of value at the time of disaster, as provided by instructions issued by the Deputy Administrator.

(c) For aquaculture, disaster benefits under this subpart for aquacultural species are limited to those aquacultural species which were placed in the aquacultural facility by the producer. Disaster benefits under this subpart shall not be made available for aquacultural species that are growing naturally in the aquaculture facility. Disaster benefits under this subpart are limited to aquacultural species that were planted or seeded on property owned or leased by the producer where that land has readily identifiable boundaries, and over which the producer has total control of the waterbed and the ground under the waterbed. Producers who only have control over a column of water will not be eligible for disaster benefits under this subpart.

(d) For ornamental nursery crops, disaster benefits under this subpart are limited to ornamental nursery crops that were grown in a container or controlled environment for commercial sale on property owned or leased by the producer, and cared for and managed using good nursery growing practices. Indigenous crops are not eligible for benefits under this subpart.

(e) For Christmas trees, disaster benefits under this subpart are limited to losses which exceed 35 percent of the value of the Christmas trees present at the time of the disaster. Christmas tree producers seeking disaster assistance under this subpart must provide acreage data, dates of plantings and the quantity of trees planted on each date.

§ 1477.210 Other specialty crops.

(a) Other special provisions to assess losses and calculate disaster assistance under this subpart apply to the following crops and such other crops as may be identified in instructions issued by the Deputy Administrator: turfgrass sod, honey and maple sap.

(b) For turfgrass sod, disaster benefits under this subpart are limited to turfgrass sod which would have matured and been harvested during 1998, when a disaster caused in excess of 35 percent of the expected production to die.

(c) For honey, disaster benefits under this subpart are limited to table and nontable honey produced commercially for human consumption. For calculating benefits, all honey is considered a single crop, regardless of type or variety of floral source or intended use.

(d) For maple sap, disaster benefits under this subpart are limited to maple sap produced on private property in a controlled environment by a commercial operator for sale as sap or syrup. The maple sap must be produced from trees that are: located on land the producer controls by ownership or lease; managed for production of maple sap; and are at least 30 years old and 12 inches in diameter.

Subpart C—Multi-Year Crop Loss Disaster Assistance Program

§ 1477.300 Multi-year crop losses.

(a) The disaster benefits under this subpart, the 1998 Crop Loss Disaster Assistance Program Multi-year Losses, will be equal to 25 percent of the producer's previous loss payments for the qualifying losses if the producer received:

(1) Crop insurance indemnity payments for crop losses on insured crops under the RMA-administered program, excluding replanting or raisin reconditioning payments; or

(2) Payments from the Non-insured Crop Disaster Assistance Program for multi-year crop losses, including any 1994 ad hoc disaster payment of a non-insurable crop.

(b) In order to receive benefits under this subpart, the producer must have received (a)(1) or (a)(2) in at least 3 of

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the 5 crop years running from 1994 through 1998 and only such losses shall be considered qualifying losses for purposes of paragraph (a) of this section.

(c) For multi-year eligibility based on crop insurance indemnity payments, RMA will determine the producers that meet the eligibility requirements along with indemnity amounts and pass the data to FSA.

(d) For NAP multi-year eligibility, FSA will determine eligible producers. Because the multi-year payments are based on payments previously received, area loss provisions apply.

(e) For purposes of paragraph (a) of this section, the "Federal loss payments" shall only be those payments which were received for qualifying losses under the programs identified in paragraphs (a)(1) and (a)(2) of this section. In addition, benefits under this part will be permitted only where the

qualifying losses were suffered by the identical producers, as determined under instructions of the Deputy Administrator. Changes in the organization and control of entities or production units will be considered to be changes in producers for crop history purposes. Likewise, in joint ventures, the entity will be considered to be the producer, not the individual members, and representational entities, such as a trust, will be considered different producers than the beneficiaries of the entity, except as otherwise allowed by the Deputy Administrator. The provisions of this subsection shall be used for qualifying purposes only for multi-year benefits and shall not, for qualified recipients, affect other restrictions that limit the maximum payment amount that may be received under this program.